

THE CONNECTION

A QUARTERLY PUBLICATION FROM THE ACCOUNTING DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

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Email Remittance Advices Benefit State & Vendors

Statewide vendors will soon have the option to receive EFT remittance advices by *e-mail* instead of paper copies. In addition to providing timely information to vendors, the e-mailed remittance advices offer the following benefits:

- State saves money by reducing printing, processing and postage costs.
- Remittance information can be sent to multiple recipients using an e-mail distribution list. (Useful for cities and counties where both the Treasurer's Office and the receiving department want to be notified of the payment.)
- OFM will be notified of undeliverable e-mail and can easily re-send a remittance advice.
- Vendors can reply to the e-mail remittance advice with questions about payments. OFM can then forward these e-mails to the appropriate agency for research and response.

Currently, AFRS generates a paper Vendor Remittance Advice for EFT payments that Consolidated Mail Services mails two days prior to the Settlement Date (the day the money posts to the vendor's bank account).

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Report Saves Washington \$304,565

Each December, the Office of Financial Management submits the Cash Management Improvement Act (CMIA) Annual Report to the U.S. Department of Treasury.

The CMIA Annual Report contains Washington's state and federal interest liabilities for the last fiscal year. Direct costs associated with the calculation of interest liabilities are reimbursed to the state from the federal government if the claim is considered "interest neutral." The net federal liability claimed in this year's CMIA Annual Report for Fiscal Year 2000 amounted to \$304,565.

Thanks to the efforts of our CMIA team, Washington's claim was approved and the \$304,565 was remitted to the state on March 1, 2001. We would like to congratulate the agency personnel who participated in the process of compiling the interest liability information for this report. For further information, please contact Carolyn Stephens at (360) 664-7674 / carolyn.stephens@ofm.wa.gov.





*Sadie Rodriguez-Hawkins
Assistant Director, OFM Accounting*

Congratulations

To More Efficient Agencies!

State government operations efficiencies are always of high interest. One of the high interest achievable efficiencies available to AFRS users is to increase the percentage of payments made by electronic funds transfer (EFT) and Warrant Insertion. Vendor payments by these methods are available, efficient, secure, desired by enrolled vendors, and **are cost effective**.

In January 2001 there were seven agencies (processing over 500 payments per month) that used these methods for over 80% of their AFRS payments. Our congratulations to Secretary of State (94%), Department of Corrections (94%), Health Care Authority (94%), Department of Fish & Wildlife (88%), Department of Retirement Systems (85%), Department of General Administration (83%), and Employment Security Department (82%).

Comments from the Assistant Director

Sadie Rodriguez-Hawkins

Every now and then, we are jolted out of our state of contentment and glaringly reminded that life tomorrow may not necessarily resemble life yesterday, or even life today. For many of us, this jolt came in the form of a 6.8 earthquake centered in the Olympia area on Wednesday, February 28th.

Many things have crossed my mind since then. Most importantly, I am reminded of the following:

We are all mortal. Mortality is not something we look at on a regular basis. When we do, it is not something many of us are comfortable with. It is hard to imagine that the plans we lay out in such deliberate detail today may have no place in the future. In fact, they may become totally irrelevant if we are not around to see them come to fruition.

Sometimes we lead; sometimes we follow. It is not our place to pronounce who are leaders and who are followers. In reality, we are both. We are all gifted with numerous talents and skills. These were clearly demonstrated as people were evacuated from work sites.

I was grateful for how people naturally gravitated towards helping each other and ensuring the safety of their colleagues. Some people moved into immediate action, others were immobilized by fear. As life would have it, we cannot always ensure the times we lead or the times we follow. Both are good and necessary.

Trauma is situational. For some reason I continue to be taken aback by the level of trauma experienced by folks since the earthquake. I continue to

give greater thought to situational elements. For example, it often appears that folks that were alone, unable to get under cover, in particular buildings, in higher floors, etc. experienced greater degrees of trauma than those in opposite situations.

More than the Capital Dome and our building facilities have experienced cracks in their façade. I've noticed that even though we profess to be "just fine, thank you," we are still prone to jump at sudden movement or at loud noises. More than ever, we need to continue to be patient with ourselves, and others, as we work toward becoming "whole" again. Like the Velveteen Rabbit, these cracks make us real.

People are more important than possessions. And finally, I am reminded that people are significantly more important to us than mere possessions. The latter can be easily replaced; the former are irreplaceable. We need to let folks know we care. Who are the important people in your life? Please take time to let them know just how much they matter. Let them know how their presence makes the world a better place.

In closing, let me say, "Washington State employees, you are an awesome group! Thank you for making such a difference in my life."

If you are experiencing post-traumatic stress, please contact the Employee Advisory Service Program at the WA State Department of Personnel.

Olympia: 360-753-3260
Seattle: 206-720-3514
Spokane: 509-482-3686

Email Remittance Advices

(continued from page 1)

For local vendors, the timing of this process is acceptable because they receive the paper remittance advice by the time they receive their money.

However, for out-of-state vendors, there is often a delay in receiving the remittance advice, which delays the posting of the payment to agency's accounts.*

We have been piloting the e-mail remittance advice feature with seven statewide vendors including the Department of Printing and First USA Financial Services.

All seven participating vendors reported that they like the e-mail remittance advice and rated reliability of the information as "high."

We will soon be contacting statewide vendors to inform them of this option and we expect many vendors will enthusiastically opt for the new e-mail remittance advice.

The e-mail remittance advice feature will not be immediately available for employees who receive travel and other EFT reimbursements because the file containing the employee vendor records does not have an e-mail address field.

However, we are aware that many employees would prefer an e-mail remittance advice, so we are looking into options for making it available. Please send comments or suggestions to cheryl.hainje@ofm.wa.gov.

**Providing incorrect or incomplete information also delays posting of payments. Therefore, OFM recommends that agencies enter the vendor's invoice number in the AFRS Invoice Number field and the account or customer number in the AFRS Vendor Message field.*

NEW! Web Address for Financial Systems

Statewide Financial Systems has a new web site. Visit us at <http://swfs.ofm.wa.gov> to learn about the latest information and systems, receive documentation on use of the systems, and find out whom to call regarding our systems.

Please change your PC's Bookmark/Favorite listings to reflect our new address. The old address: <http://ofmsys.wa.gov> is no longer available.

If you are interested in visiting OFM's Internet home page, the web site is: www.ofm.wa.gov

Coming Soon!

New OFM-Prescribed Statewide Forms

In an effort to keep improving, OFM will be unveiling new versions of some old OFM-prescribed statewide forms. While old forms are not obsolete and will be used until current stock is exhausted, the new forms should be available by this spring.

Several forms, like the Warrant Register form, will be discontinued. Other significant changes include:

- Removing the SSN field from Invoice Vouchers and Voucher Distributions, and replacing it with a check box.
- Removing the driver's license field from the Travel Authorization form.
- Expanding instructions and adding new informational fields on the Travel Expense Voucher.

While some forms will remain unchanged, the new forms reflect our continued effort to comply with state privacy laws (RCW 42.17.310) and the Governor's Executive Order #EO-00-03 "Public Records Privacy Protections."

The forms reviewed consisted primarily of AFRS forms available through Central Stores and forms provided in the State Administrative and Accounting Manual (SAAM).

After reviewing and proposing changes, OFM circulated the proposed changes among all state agencies and asked for comments and suggestions. Agency feedback was very constructive. OFM would like to thank all the agencies that responded.

We are also exploring making the forms available in an electronic format and would appreciate your suggestions. For further information regarding the Forms Project or for a complete list of updated forms, please contact Christopher Carlile at (360) 664-7672 / christopher.carlile@ofm.wa.gov.

Accounts Receivable Updates Are A “Dun” Deal

Coming this spring, “dunning letters” will be available through the Accounts Receivable system. Dunning letters are past due notices, such as collection letters, which are generated based on the invoice age at 30-, 60-, 90-, and 120-day intervals.

The letters are agency-customized and, as the accounts age, can range from a tone of a gentle reminder to a stern past due notice. These customized letters extract key information from the Customer Master Record, which is then inserted into the form letter.

Each Customer record will contain a flag indicating whether or not a dunning letter is to be generated for that particular customer. This feature allows the bypass of certain customers that may have negotiated late payment agreements with the agency.

The new dunning letters module is able to narrow the selection of a customer contact list by specific accounts receivable type, specific aging category, and/or accounts greater than a certain amount. This feature provides a helpful tool in managing bad debt risks.

For more information or questions regarding the Accounts Receivable System, please contact Trinh Bui at (360) 664-7684 / trinh.bui@ofm.wa.gov or the AR Help Line at (360) 664-7722.

Don't Miss Out on Training!

FOR PERSONAL- AND CLIENT-SERVICES CONTRACTING

Training sponsored by the Office of Financial Management for both personal-service contracts and client-service contracts is being offered from February to May 2001. This training is to enhance agency staff understanding of effective contract management.

The training provides a one-day overview for personal-service contracting and a one-day overview of client-service contracting. The training is being provided through Washington State University (WSU) at locations in Olympia, Seattle, Yakima and Spokane.

The schedule of classes and registration information may be accessed at <http://capps.wsu.edu/>. WSU is providing registration on-line and may also be contacted at wsuconf@wsu.edu or by calling 1-800-942-4978.

The workshops are free and classes are filling up fast. Act quickly or you will miss this training opportunity. If you have questions regarding the content of the training, you may contact Laura Nelson at 360/664-7729 / laura.nelson@ofm.wa.gov.

How Feasible Are Electronic Payments?

Washington State agencies have been actively pursuing electronic payment applications – ranging from tax payments and license fees to permits and merchandise sales. By law, acceptance or issuance of electronic payments (including electronic funds transfers [EFT] and credit cards) by state agencies must be economically feasible and approved by OFM.

In order to determine whether an agency's electronic payment application is economically feasible, OFM reviews an Economic Feasibility Study (EFS) prepared by the agency. To assist agencies in preparing an EFS, Chapter 40 of the *State Administrative and Accounting Manual* (www.ofm.wa.gov/policy/40.htm) was revised and new e-commerce accounting resources (www.ofm.wa.gov/policy/ecom.htm) were added in October of 2000.

Since then, eight projects from four different agencies have been approved. Seven of these are Internet applications involving payments via both EFT and credit card processes. More projects are currently being reviewed by OFM.

In the last few months, numerous training sessions have been presented jointly by OFM and the Office of State Treasurer to agency staff who are in the initial stages of developing additional electronic payment applications.

For more information and/or to schedule training on electronic payments and economic feasibility studies, please contact Deborah M. Feinstein at (360) 664-7670 / deborah.feinstein@ofm.wa.gov

Fastrack

Suggested improvements:

- Allow more multiple coding selections on reports – e.g. general ledger, object, and organization index.
- Display Sub-Sub-Object for Allotment Expenditure Reports.
- Add sub-sub-object as a parameter to the Expenditure Activity Reports.
- Show separate columns for disbursements, accruals, and encumbrances on Expenditure Activity Reports for federal reimbursable contracts and projects.
- Display Expenditure Activity Reports by Organization Index Level.
- Display warrant number on Revenue Activity Reports.
- Add Appropriation Type as parameter on some reports.
- Add project and sub-project to specific Allotment Expenditure Reports.
- Add task as a parameter on some reports.
- Add new Encumbrance Summary Report to track obligation and liquidation.

Visible benefits to customers:

- Ability to have fund-centric as well as agency-centric reporting.
- Possible cross-biennium (non-state) fiscal year reporting to meet some of the suggested items not included in the above listing such as Project Management, federal contracts reporting, etc.
- Better positioning for future effective use of Ad-Hoc reporting tools.

Moving Down the Tracks

The Fastrack team is working with customers to better understand their needs and priorities for Release 7.0. The team has collected a list of items and will incorporate many of the suggestions given to them.

Besides the suggested features, the team is also working on a lot of behind-the-scenes processes to make the reports run more efficiently. These improved procedures will enhance the system in many ways.

As soon as new disk space is available, the team will be loading all agencies' data into the Data Warehouse. The team is also planning for the Biennium Roll Over to 2003 to allow customers access to the new biennium information.

The team will continue to work with customers to implement features that provide information in a valued and time saving capacity. Customer feedback is always encouraged. For more information or questions, please contact Muoi Nguy at (360) 664-7699 / muoi.nguy@ofm.wa.gov or the Fastrack Help Line at (360) 664-7737.

BASS: The Next Generation

The Budget and Allotment Support System (BASS) team has established an aggressive plan for next year. We have just completed much needed infrastructure upgrades to our servers to improve efficiency and response time. In addition to providing a more stable environment for our servers, customers should notice an improvement in response time when running reports.

BASS has also been working with MTG Management Consultants and our customer representative group to define requirements and establish early concepts for the next BASS application, the Salary Projection System (SPS). This system is being designed to replace the current BPS1 system while increasing functionality. SPS is scheduled to debut in April 2002.

BASS has also scheduled time to improve the current systems. Input gathered from customers through e-mail, telephone, and training was used in an enhancement prioritization exercise to define the top 10 customer priorities for system enhancements. In addition, Sterling Associates, Ltd. completed a customer evaluation resulting from one-on-one interviews with eight BASS customer agencies.

In response to this evaluation, we have developed prototypes for an integrated rich-text decision package using Word and an automated upload feature. Several other items including reporting and functionality of the current systems are also being addressed.

A Budget Officer's meeting is scheduled for April 18, 2001, at the OFM Pt Plaza Training Room at 1:30p.m to review the schedule and direction for BASS. This discussion is intended to ensure that BASS supports agency budget processes and provides Budget Officers information on system changes that may affect agency internal business processes. Please RSVP Vicki Rummig at (360) 664-7765 / vicki.rummig@ofm.wa.gov if you plan on attending.

CAFR Time is Just Around the Corner

Spring is here and now is a good time to think about the biennium-end cutoff and closing process. Two training classes will again be available which focus on year-end activities (one is high-level, the other is more in-depth):

The Comprehensive Annual Financial Report (CAFR) Update class is designed for state accounting and fiscal personnel who are knowledgeable in biennium end financial reporting. This class presents a high-level overview of changes to the cutoff and closing procedures, disclosure forms, and the closing schedule.

The CAFR – Introduction class is designed for state accounting and fiscal personnel who will be involved with biennium-end financial reporting for the first time. This class delivers an in-depth look at the biennium-end reporting process, covering accrual, adjustment, and closing processes. It also covers disclosure forms, AFRS and CAFR reports, and the closing schedule.

AFRS' processing issues and transaction code usage at biennium-end will be covered in both classes. For dates and locations for these training classes, please refer to the OFM Accounting Spring Training Catalog at: www.ofm.wa.gov/ofm/afstrng/spr2001.htm. For experienced AFRS users, handouts from the Update class will be available June 15, 2001 from the AFRS Documentation Request Screen RR.4. For further information, contact James Scheibe at (360) 664-7681 / james.scheibe@ofm.wa.gov.

Consistent with last year, agencies will be required to submit the State Disclosure Forms electronically. The disclosure form database (MS ACCESS 2000) will be distributed following the Phase 2 cutoff and will be pre-loaded with the appropriate AFRS amounts. We hope that this will assist you in reconciling the disclosure forms to AFRS.

Important CAFR cut off dates:

- July 31 - Phase 1 – Agency Accruals
- September 13 - Phase 2 – Agency Adjustments
- October 4 – Due date for State Disclosure Forms
- October 11 - Phase 3 – Audit Phase

Federal Reporting is Also Approaching : Reporting Remains Unchanged

At this point in time, the reporting of FY2001 expenditures of federal awards remains virtually unchanged from FY2000. Minor changes may be made after the federal government publishes its annual update to the *Compliance Supplement* (anticipated later this Spring). State agencies and institutions will be encouraged to use the electronic reporting module provided by OFM. The due date for submittal of FY2001 federal financial information is **September 24, 2001**.

Please refer to the OFM Accounting Spring Training Catalog for a description of the Federal Financial Assistance Workshop on completing the reporting requirements. You can access the catalog at www.ofm.wa.gov/afstrng/spr2001.htm.

Olympia - June 12

Seattle - TBA

If you have any questions, contact Norm Johnson at (360) 664-7676 / norm.johnson@ofm.wa.gov.

SAAM Updates

This spring, we plan to update the state and federal reporting policies, SAAM Chapters 90 and 95. The revised reporting policies will be effective June 1, 2001 for the Fiscal Year 2001 closing and reporting process. While no significant changes are anticipated, we will be incorporating policy changes to reflect the provisions of GASB Statement 33, *Accounting and Reporting for Non-Exchange Transactions*, which become effective for FY2001 reporting.

GASB Statement 33 will require minor revisions to state accounting policies and procedures included in SAAM, Chapters 75 and 85. We are currently working with the agencies impacted by Statement 33.

GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, significantly impacts financial reporting, and will require changes to our policies in SAAM Chapters 30, 75, 80, and 85. GASB Statement 34 will be effective July 1, 2001.

A few areas that will be affected include capital assets, long-term debt, and the chart of accounts. Many of you have been participating in our virtual group, and following our analysis of Statement 34 and its impact on state accounting policies and procedures. Generally, we are finding that for most agencies, the anticipated changes will be fairly minor.

If you have any questions or comments, please contact:

Pat Sanborn at (360) 664-7680 / patricia.sanborn@ofm.wa.gov

or Wendy Jarrett at (360) 664-7675 / wendy.jarrett@ofm.wa.gov.

Who's New?**in Accounting**

Ann Bruner joins the Fastrack Team as Project Manager. She joined OFM on February 1, 2001. She comes from Washington State University Energy Program where she worked as a Project Manager on several Energy assessment and financial software products.

Ann and her family live in the Olympia area. She enjoys traveling, gardening, camping and fishing. She is looking forward to working with OFM to continue the development and new Release 7.0 of Fastrack, which will be completed at the end of June 2001. Ann can be reached at (360) 664-7711 / ann.bruner@ofm.wa.gov

Susan Adamich joins Statewide Accounting on March 26, 2001. She transferred from OFM's Small Agency Client Services (SACS) where she was responsible for budgeting and accounting for six small agencies. In her new role, she will provide financial consulting and monitoring services.

When she's not at work, Susan can be found horsing around with her daughter, Julie, who is in Pony Club or lending a hand to her husband, Greg, who always has a project or two in progress. Susan can be reached at (360) 664-7671 / susan.adamich@ofm.wa.gov



Chelly Seymour joined Small Client Services (SACS) on March 20, 2001. She comes to us from Department of Health where she was employed in the Office of Financial Services for the past 11 years.

Chelly enjoys cross-stitching, scrapbooking, golfing, traveling, her husband of 21 years and her son who is involved in track, wrestling, and long-distance running. She is looking forward to her new endeavors with OFM as the new payroll person in SACS. Chelly can be reached at (360) 664-7704 / chelly.seymour@ofm.wa.gov.

Randy Todd joined the Small Client Services (SACS) as Assistant Manager on March 23, 2001. He comes from Department of Labor and Industries where he was employed as a Fiscal Management Analyst and Budget Program Specialist. In addition to several years of experience, he has a Bachelors Degree from Eastern Washington University with a major in Accounting. He also is a retiree from the United States Air Force.

Randy and his family live in the Olympia area. He enjoys gardening, back-packing, his grandchildren, his wife and free lunches. Randy can be reached at (360) 664-7667 / randy.todd@ofm.wa.gov.

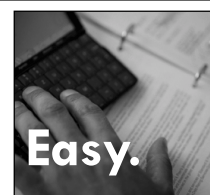


**Go
Direct.**

Have your checks directly deposited to your account if you receive Reimbursement Checks for travel, tuition, uniform cleaning, or other costs.*

*Does not include Dependent Care payments.

Contact your agency payroll office to sign up for direct deposit of your paycheck. The same bank account will be used for all direct deposits.



Easy.

Convenient.

New Payroll/Personnel System Best Option?

The Human Resource Information Systems Options Study project team is putting final touches on the last of the project deliverables. Based on an analysis of the risks and impacts of all the options, the project consultants (MTG) recommend that the state purchase a new payroll/personnel system from a software vendor (such as SAP, PeopleSoft, Oracle or AMS).

In March, MTG submitted a final draft of the Human Resource Options Study Report to the steering committee. The report explores the impacts and risks of four alternatives:

1. Continue with the current 25-year old payroll/personnel system;
2. Build a new system with state resources;
3. Outsource the personnel/payroll system and its operation.
4. Purchase a commercial payroll personnel system; or

Findings from the report include: functional deficiencies of the human resource computer systems, steps agencies are taking to make up for deficiencies, poor linkage between human resource systems and statewide financial systems, hiring and retention problems for system support staff, data access difficulties, and increasing risks of payroll system failure.

The report also offers a series of recommendations that will help prepare for a successful project and mitigate the risk of current system failure. In the interim, the report suggests some immediate steps that could give agencies better access to human resource information.

For more information, please contact Kathy Rosmond at (360) 664-7771 / kathy.rosmond@ofm.wa.gov

Finance Academy Progressing (*in spite of budget constraints*)

Although money for the Finance Academy was not included in the Governor's budget, legislative staff are aware of the hiring, training, and retention problems being experienced by all agencies (including their own).

Legislative staff are looking at ways to sustain the quality of financial management in agencies, and have expressed interest in the Finance Academy.

WSU conducted a limited survey in December to gather more information from Stakeholder Committee members on priorities for education and training, critical skill gaps, and unique training needs.

The Finance Academy Stakeholder committee members agree that high priority should be given to the knowledge and skills that are unique to Washington State finance-related jobs, such as knowing how to put together an agency budget, and that training must be practical and immediately applicable to a person's job.

Pilot programs may be needed to provide design models for the Academy.

OFM and WSU plan to begin agency Focus Group meetings in June. They will be contacting agencies soon to get time commitments for staff who are highly regarded for their knowledge of the state's budget and accounting practices. The Focus Groups will define the skill standards needed to design the Academy's curriculum.

For more information about the Finance Academy, contact Kathy Rosmond at (360) 664-7771 / kathy.rosmond@ofm.wa.gov



Automate Your Travel Reimbursements!

Join those who use the Travel Voucher System

The Travel Voucher System (TVS) is a web based system that was designed to assist travelers in preparing their reimbursement easier, faster, and with less errors. The system includes automatic per diem and mileage rates, electronic approvals, and automatic calculations.

TVS has many useful tools to help you prepare the voucher, speeds you through the approvals with electronic routing, and feeds the information through fiscal to electronically turn your request for reimbursement into a payment.

We heard from customers who are using the system that it is: "very easy to use and intuitive," "saves paper," and "speeds up processing time."

To see a demo or for more information, contact Owen Barbeau at (360) 664-7776 / owen.barbeau@ofm.wa.gov

Inter-Agency Payment Process (IAP) Made Easier

Question: *What is the most efficient way of paying other state agencies?*

Answer: *By means of a Journal Voucher(JV)*

If JV is the most efficient method of payment, why is it that agencies continue to pay other agencies by warrant? Because JV payments are cumbersome and create a lot of problems for both the paying and receiving agencies.

OFM is working on eliminating this problem by embarking on a project that will support a faster, easier and more accurate process of agency-to-agency payments, called the *Inter-Agency Payment (IAP)*.

In addition, the new process is intended to increase compliance with the State Administrative & Accounting Manual, Section 85.36, which clearly indicates that agencies should use the most cost effective means of making disbursements.

The table below compares the current JV process and the IAP process:

CURRENT JV PROCEDURE	INTER-AGENCY PAYMENT PROCESS
Billing Agency: Sends invoice, with Agency # and Fund	Billing Agency: Same
Paying Agency: Prepares paper JV Routes JV for approval Makes 2 copies of JV Enters JV payment into AFRS (creates GL 7140 JV In-Process)	Paying Agency: Prepares JV payment Routes JV for approval <i>No longer necessary</i> Same. Entry will now: <ul style="list-style-type: none"> • Generate the Treasurer's entry for both agencies – moves cash from the paying agency (clears GL 7140 JV In-process) to the billing agency fund (creates GL 7140 GL In-process); • Generate e-mail remittance advice to Billing Agency
Files Original JV with invoice	Files JV with invoice
Sends Copy 1 to Treasurer – to make the transfer between funds	<i>No longer necessary</i>
Sends Copy 2 to Billing Agency	<i>No longer necessary</i>
Treasurer: Enters cash transfer for both agencies. This: <ul style="list-style-type: none"> • Clears GL 7140 JV In-Process for the Paying Agency • Creates an GL 7140 In-Process for the Billing Agency 	Treasurer: <i>No longer necessary</i>
Billing Agency: Receives copy of JV Enters receipt of funds into Accounts Receivable System or AFRS (clears GL 7140 JV In-Process)	Billing Agency: Receives e-mail notification of payment Same

How the IAP Process works:

Use of the Statewide Vendor (SWV) table for agency vendor information.

Agency vendors will be added to the SWV table. Two new fields, *billing agency* and *billing fund* are added to accommodate inter-agency payments.

Use of special IAP transaction codes (TC).

The IAP TC contains wrap TC (similar to warrant wraps) that moves cash between the paying agency and the billing agency. The IAP wraps support current as well as prior biennium.

Alternative IAP TC's are added to regular payment transaction codes.

Payments made to agencies will be converted into IAP (both on-line and batch), so long as an SWV vendor record is used.

Email notification to the billing agency.

An email will be sent to the billing agency for the payments made by the other agency. The email message will contain at a minimum the following information: a) amount of payment; b) invoice(s) paid; c) current document number; d) receiving fund; e) paying agency; f) payment date; and g) vendor message.

A new Inter-Agency Payment screen is created in AFRS for users to view payments received by their agency.

Information displayed on the screen is similar to the above.

OFM Small Agency Client Services (SACS) and the Department of General Administration (GA) will pilot the new process in March. We anticipate to roll-out the process statewide by April.

For more information about the new IAP process, please contact Marilei Amurao-Tabile at (360) 664-7761 / marilei.amurao-tabile@ofm.wa.gov

AFRS/DRS Tech Notes



YEAR 2000 IRS 1099-MISC PRINTING AND REPORTING STATUS

The Year 2000 IRS printing process was the first year that IRS 1099-MISC forms were printed using an electronic IRS Form 1099-MISC to create the printed 1099 forms. This allowed the agencies to print one or more IRS 1099-MISC forms at any time of the year instead of the previous practice of having to print on one of three weekends in January. This has also allowed agencies to re-print forms that were changed after the initial printing.

The IRS 1099-MISC records were submitted to the Internal Revenue Service (IRS) as of close of business on March 23, 2001. If agencies need to make any corrections or additions to their Year 2000 records they should follow the IRS instructions for corrected returns.

Feedback from agencies is always appreciated. Please send your feedback and suggestions for improvement to the Year 2001 IRS 1099 process or user instructions to phil.taylor@ofm.wa.gov

DISBURSEMENT REPORTING SYSTEM SUMMARIZATION TO 1099S - IRS SWV OVERRIDE

When the Disbursement Reporting System summarizes and creates an IRS 1099 record, the 1099 record vendor name and address is obtained from the vendor record specified by vendor number in the summarized transaction.

However, if at the time of summarization there is an existing statewide vendor record that contains a taxpayer identification number (TIN) that is identical to the transaction TIN, the name and address for the created 1099 record will be obtained from the statewide vendor record.

However, there may be circumstances when an agency wishes to use the vendor name and address from the agency vendor record instead of the statewide vendor record in the summarization process.

To do this, the agency should view the specific agency vendor record (screen VE.2), type a 'C' (change) in the Function, type a 'Y' in the 'IRS SWV OVERRIDE' field, then press 'enter'. If this is done **before** an IRS 1099-MISC record has been created for the current fiscal year, the agency vendor record name and address will be used in the 1099 record instead of the Statewide Vendor record name and address.

IRS 1099-MISC VENDOR NAMES/ADDRESS AND DEFAULT VENDOR NUMBER SUFFIX

Agencies sometimes need to construct their vendor record with the sole proprietor's business name (DBA Name) on the first line, and the owner's name on the first address line. This works for payment transactions but will not support IRS 1099-MISC reporting where the sole proprietor's name must be listed first and the DBA name (if included) must be listed second. However, there is a system feature that supports construction of IRS 1099-MISC sole proprietor vendor names that meets IRS requirements.

Agencies that use the Disbursement Reporting System to build IRS 1099-MISC records can specify a default vendor number suffix on the DRS Profile screen that will identify the vendor records which meets IRS naming and addressing requirements. The suggested process to specify this default vendor number suffix is as follows:

1. **Construct a vendor record to support payments** to a sole proprietor (sole proprietor's business {DBA} name listed first, with the sole proprietor's name on the second line). The record must contain the vendor's TIN, Tax Type, and the appropriate IRS Box number. If the agency vendor record TIN is identical to a statewide vendor record and the agency vendor record is to be used in the construction of an IRS 1099-MISC record, type a 'Y' in the 'IRS SWV OVERRIDE' field.
2. **Construct a second vendor record** for the same sole proprietor that contains the vendor name in the IRS format. The vendor number (first 10 characters) on this record should be identical to the payment vendor record, but the suffix should be the default suffix identified on the DRS Profile screen. The record must contain the vendor's TIN, Tax Type, and the appropriate IRS Box number. Type a 'Y' in the 'IRS SWV OVERRIDE' field.
3. **Make payments using the payment vendor** record and let the DRS records summarize to IRS 1099-MISC records. The records will summarize with the vendor name and address used in the agency payment vendor record.
4. **To make the conversion** from the IRS 1099-MISC record vendor name to the vendor name contained in the default vendor record, go to screen IR.6 and order a DRS340 (type 'Y' and the calendar year of the 1099s to be changed). When the DRS 340 runs (on the following Saturday night) the IRS 1099-MISC vendor name and address will be changed to the vendor name and address contained in the associated vendor record that contains the default vendor number suffix.

Please contact Phil Taylor at (360) 664-7712 / phil.taylor@ofm.wa.gov if you have any questions.

DRS ONLINE VIEW COUNT SELECTION

The DRS online view screens DM.2, DM.3, DM.4, DM.9, WR.1, and WR.3 now contain a COUNT field to allow designation of the number of records to be found in a search. You can indicate from 0001 to 0999 records to be found. Please note that search times may increase as the number of records to be found increases.

If you need more information about the COUNT field, place your cursor on that field and press the F1 key to access the help window.

Please contact Phil Taylor at (360) 664-7712 / phil.taylor@ofm.wa.gov if you have any questions.

DRS SECURITY CHANGE

There has been a change to the Disbursement (DISB) security for deletion of records. Previously, a single DRS record could be deleted online by persons who had a DISB security flag '2'. The change removed this capability from the DISB security and added it to the DRS Purge (PURG) security flag '2'. Please contact Phil Taylor at (360) 664-7712 / phil.taylor@ofm.wa.gov if you have any questions.

Privacy Notice:

Safeguarding and disposition of personal information must be consistent with Executive Order 00-03, April 25, 2000 and RCW 42.17.310 (RCW 40.50.10)

**VENDOR TYPES**

The Vendor Type field of the vendor record has been expanded to more adequately support IRS 1099 reporting. If you have obtained an IRS form W-9 from a vendor, you are encouraged to use the vendor type that most closely identifies the IRS 1099 reporting status of the vendor. If you have a W-9 form you should also:

1. Type the appropriate character (Y, N, 1 or 2) into the W-9 ON FILE field.
2. Type the vendor's TIN, Tax Type, and IRS Box into the appropriate fields.

Please note that online help windows are available for all of the agency vendor record (TM.6) fields. To access a help window, place your cursor on the appropriate field; then press F1.

The current vendor types are:

- 0 = VENDOR
- 1 = EMPLOYEE
- 2 = FEDERAL AGENCY
- 3 = STATE AGENCY
- 4 = LOCAL GOVERNMENT
- A = ATTORNEYS
- C = CORPORATION
- M = CORPORATION FROM WHICH MEDICAL SERVICES ARE PURCHASED.
- P = PARTNERSHIP
- X = OTHER
- S = SOLE PROPRIETOR/INDIVIDUAL



Please contact the AFRS Help Line at (360) 664-7725/7726 if you have any questions.

SWV - IRS BOX CODING - AGENCY RESPONSIBILITY

The statewide vendor record IRS Box field is coded based upon the W-9 obtained from vendors by the Office of Financial Management. The indicated IRS Box in the statewide vendor record may sometimes not be correct for some agency payments.

If a statewide vendor record IRS Box is not correct for a transaction, you should change the transaction IRS Box to the correct value at the time of transaction input. Please contact Phil Taylor at (360) 664-7712 / phil.taylor@ofm.wa.gov if you have any questions.

How do you like our new look?

We'd love to hear what you think of The Connection's new look.

Please e-mail your comments to Debbie Hoxit at:
debbie.hoxit@ofm.wa.gov

